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**UNITED NATIONS POPULATION FUND
WORK PLAN FOR 1994-1997 AND REQUEST FOR PROGRAMME EXPENDITURE AUTHORITY**

Report of the Executive Director

SUMMARY

This report of the Executive Director is submitted to the Governing Council for its approval in accordance with Governing Council decisions 83/17 III, adopted at its thirtieth session, and 89/46 B, adopted at its thirty-sixth session. It contains the work plan for the years 1994-1997 and as such gives information on UNFPA's current and projected resource situation, overall resource utilization and the distribution of programmable resources among country and intercountry activities. In accordance with Council decisions, it also provides information on allocations and utilization of resources in 1992. The document concludes with the request for programme expenditure authority for the year 1994.

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I. INTRODUCTION

1. This report examines the utilization of resources by UNFPA in 1992, applying the method of measuring UNFPA's resource utilization approved by the Governing Council in decision 89/46 B. It also presents information about the size and substantive areas of the proposed country programmes being submitted to the Governing Council in 1993. The report further describes the work plan for 1994-1997 including information about projected resources and the proposed utilization of programmable resources among country and intercountry activities as well as among geographical regions. As in the past, the principal analysis is based on regular resources. This is supplemented this year, however, by an analysis of regular and multi-bilateral resources combined. The report also contains the Executive Director's proposed programme expenditure level for 1994 from regular resources, the estimates of new programmable regular resources for the 1995-1997 period in accordance with decision 89/46 B, paragraph 1, of the Governing Council, and the estimates of new programmable resources from multi-bilateral funding.

II. UTILIZATION OF RESOURCES IN 1992¹

2. Contributions from Governments to UNFPA in 1992 amounted to \$233.6 million, which -- together with an interest income of \$4.6 million -- resulted in a total income from regular resources in 1992 of \$238.2 million, an increase of \$14.2 million or 6.3 per cent over the previous year. This increase was \$8.2 million more than had been projected in the last work plan.² The Fund decreased the costs of administrative and programme support services (APSS) by \$7.9 million compared to what had been projected earlier for 1992. These two factors resulted in programmable resources in 1992 that were \$16.1 million higher than had been projected earlier. After a repayment in 1992 of \$5.5 million to the operational reserve, which had been borrowed to cover the over-expenditure in 1991, the total programmable resources from regular resources in 1992 amounted to \$184.6 million (see table A). The income from multi-bilateral resources in 1992 was \$12.9 million, \$4.7 million more than in 1991. The carry-forwards from 1991 from multi-bilateral resources were \$7.6 million, bringing to \$20.5 million the total programmable resources from multi-bilateral resources in 1992. In terms of combined regular and multi-bilateral resources, the total programmable resources amounted to \$205.1 million.

¹All 1992 figures used throughout this document are provisional or estimated.

²See document DP/1992/26, paragraph 14.

Table A. Calculation of programmable resources for 1991 and 1992

(MILLIONS OF US DOLLARS)

	1991	1992 (PROVISIONAL)
REGULAR RESOURCES		
(1) INCOME	224.0 ^(a)	238.2
(2) ADMINISTRATIVE AND PROGRAMME SUPPORT SERVICES (APSS) ^(b)	42.3 ^(a)	42.6
(3) ADDITIONS TO RESERVES ^(c)	0.0	5.5
(4) NEW PROGRAMMABLE RESOURCES (1)-(2)-(3) ^(b)	181.7	190.1
(5) CARRY-FORWARDS (NEGATIVE IF IN PARENTHESES)	(0.4) ^(d)	(5.5) ^(d)
(6) TOTAL PROGRAMMABLE RESOURCES (4) + (5)	181.3	184.6
MULTI-BILATERAL RESOURCES		
(7) INCOME	8.2 ^(e)	12.9
(8) CARRY-FORWARDS (NEGATIVE IF IN PARENTHESES)	10.9 ^(e)	7.6 ^(e)
(9) TOTAL PROGRAMMABLE RESOURCES (7) + (8)	19.1 ^(e)	20.5
COMBINED RESOURCES		
(10) TOTAL PROGRAMMABLE RESOURCES (6) + (9)	200.4	205.1
(A) SEE DOCUMENT DP/1992/32, TABLE 2. (B) IN 1991, OPERATIONAL COSTS CONSISTED OF ADMINISTRATIVE AND PROGRAMME SUPPORT SERVICES AND AGENCY SUPPORT COSTS. IN 1992, UNDER THE SUCCESSOR SUPPORT COST ARRANGEMENTS APPROVED BY THE COUNCIL IN DECISION 91/37, COSTS FOR ADMINISTRATIVE AND OPERATIONAL SERVICES AND TECHNICAL SUPPORT SERVICES ARE CLASSIFIED UNDER PROGRAMMABLE RESOURCES. FOR COMPARISON PURPOSES, AGENCY SUPPORT COSTS OF 1991 ARE CLASSIFIED UNDER PROGRAMMABLE RESOURCES. (C) ADDITION TO THE OPERATIONAL RESERVE (\$3 MILLION) AND ADDITION TO THE RESERVE FOR FIELD ACCOMMODATIONS (\$2.5 MILLION). (D) SEE DOCUMENT DP/1992/32, ANNEX IX, TABLE 1. (E) SEE DOCUMENT DP/1992/32, TABLE 7.		

3. Total project expenditures from regular resources in 1992 were \$128.2 million, or \$15.4 million less than projected. This was due primarily to low expenditures for country activities in sub-Saharan Africa and in the Arab States and Europe and also to low expenditures for interregional activities. As a consequence, the costs of administrative and operational services (AOS), which have been set by the Governing Council at 7.5 per cent of expenditures of country activities, were also less than projected. These low expenditures, together with cautious

and prudent management of resources, in order not to produce a year-end deficit for a third consecutive year, yielded programme expenditures of \$151 million in 1992, or \$36 million less than the corresponding figure in 1991 (see table B). For combined regular and multi-bilateral resources, project expenditures were \$137.9 million, and programme expenditures were \$161.3 million.

Table B. Summary of programme expenditures for 1991 and 1992 (MILLIONS OF US DOLLARS)		
	1991	1992 (PROVISIONAL)
REGULAR RESOURCES		
(1) PROJECT EXPENDITURES ^(A)	172.0	128.2
(2) TECHNICAL SUPPORT SERVICES (TSS) ^(B)	0.0	14.5
(3) ADMINISTRATIVE AND OPERATIONAL SERVICES (AOS) ^(C)	15.0 ^(D)	8.3
(4) PROGRAMME EXPENDITURES (1) + (2) + (3)	187.0	151.0
MULTI-BILATERAL RESOURCES		
(5) PROJECT EXPENDITURES	10.4	9.7
(6) ADMINISTRATIVE AND OPERATIONAL SERVICES (AOS) ^(C)	0.8	0.6
(7) PROGRAMME EXPENDITURES (5) + (6)	11.2	10.3
COMBINED RESOURCES		
(8) PROJECT EXPENDITURES (1) + (5)	182.4	137.9
(9) PROGRAMME EXPENDITURES (4) + (7)	198.2	161.3
(A) INCLUDES IN 1991 TECHNICAL SUPPORT SERVICES AS PART OF INTERCOUNTRY PROJECTS. (B) STARTED IN 1992 AS PART OF THE SUCCESSOR SUPPORT COST ARRANGEMENTS APPROVED BY THE COUNCIL IN DECISION 91/37. IN 1991, TECHNICAL SUPPORT SERVICES WERE PROVIDED UNDER INTERCOUNTRY PROJECTS. (C) FIGURE IN 1991 DOES NOT REFER TO ADMINISTRATIVE AND OPERATIONAL SERVICES, BUT TO AGENCY SUPPORT COSTS, WHICH WERE REDEFINED UNDER THE SUCCESSOR SUPPORT COST ARRANGEMENTS APPROVED BY THE COUNCIL IN DECISION 91/37. (D) SEE DOCUMENT DP/1992/32, TABLE 2.		

Table C. Performance indices for 1991 and 1992 (MILLIONS OF US DOLLARS)		
	1991	1992 (PROVISIONAL)
REGULAR RESOURCES		
(1) TOTAL PROGRAMMABLE RESOURCES ^(A)	181.3	184.6
(2) PROGRAMME EXPENDITURES ^(B)	187.0	151.0
(3) RESOURCE UTILIZATION RATE (2)/(1) ^(C)	103.1%	81.8%
REGULAR AND MULTI-BILATERAL RESOURCES COMBINED		
(4) TOTAL PROGRAMMABLE RESOURCES ^(D)	200.4	205.1
(5) PROGRAMME EXPENDITURES ^(E)	198.2	161.3
(6) RESOURCE UTILIZATION RATE (5)/(4) ^(C)	98.9%	78.6%
(A) SEE TABLE A, LINE (6). (B) SEE TABLE B, LINE (4). (C) THE RESOURCE UTILIZATION RATE IS THE RATIO OF PROGRAMME EXPENDITURES TO TOTAL PROGRAMMABLE RESOURCES. (D) SEE TABLE A, LINE (10). (E) SEE TABLE B, LINE (9).		

4. As shown in table C, the ratio of programme expenditures to total programmable resources (resource utilization rate) for regular resources in 1992 was 81.8 per cent, which was lower than the corresponding rate of 1991. The 1992 rate was the result of the combination of higher-than-projected programmable resources and lower-than-projected programme expenditures (see paras. 2 and 3 above). The resource utilization rate for 1991 was 103.1 per cent, which was due to a year-end deficit.

5. Table D shows expenditures for country and intercountry activities for the years 1989-1992. Due to cautious programming, all expenditures in 1992 were lower than the corresponding ones in 1991. Further, the decrease in expenditures for country activities from regular resources, from \$115.7 million in 1991 to \$103.1 million in 1992, a decrease of 10.9 per cent, is largely due to the fact that UNFPA activities in certain African and Arab countries had to be temporarily suspended or drastically cut back because of civil or political unrest. This led to a slowdown or stop in the implementation of country programmes in these countries. The decreases in expenditures for regional activities (from \$28.6 million in 1991 to \$9.7 million in 1992, a decrease of 66.1 per cent) and for interregional activities (from \$27.8 million in 1991 to \$15.4 million in 1992, a decrease of 44.6 per cent) are mostly due to the fact that regional activities previously included costs for posts in regional commissions of the United Nations and interregional activities included costs for posts at the headquarters of the United Nations and of the United Nations specialized agencies, both of which are now included under technical support services (TSS), which started in 1992, as approved by the Governing Council in decision 91/37. Thus, the reduction in intercountry activities (regional and interregional combined) of \$31.2 million is partially offset

by TSS expenditures of \$14.5 million. Although country activities accounted for 80.4 per cent of all project expenditures in 1992, compared to 67.3 per cent in 1991, this does not signify a major change in UNFPA's programme activities, but rather a definitional change due to the new TSS concept.

Table D. Expenditures for country and intercountry activities, 1989-1992

(MILLIONS OF US DOLLARS)

ACTIVITIES	1989		1990		1991		1992 ^(a) (PROVISIONAL)	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
REGULAR RESOURCES								
COUNTRY	109.4	69.5%	116.5	69.0%	115.7	67.3%	103.1	80.4%
INTERCOUNTRY ^(b)	48.1	30.5%	52.4	31.0%	56.3	32.7%	25.1	19.6%
▶ REGIONAL	25.7	16.3%	27.1	16.1%	28.6	16.6%	9.7	7.6%
▶ INTERREGIONAL	22.4	14.2%	25.2	14.9%	27.8	16.2%	15.4	12.0%
TOTAL	157.5	100.0%	168.9	100.0%	172.0	100.0%	128.2	100.0%
REGULAR AND MULTI-BILATERAL RESOURCES COMBINED								
COUNTRY	113.3	69.4%	125.4	69.9%	124.0	68.0%	109.9	79.7%
INTERCOUNTRY ^(b)	49.9	30.6%	53.9	30.1%	58.4	32.0%	28.1	20.4%
▶ REGIONAL	26.7	16.4%	28.3	15.8%	30.1	16.5%	10.4	7.5%
▶ INTERREGIONAL	23.2	14.2%	25.7	14.3%	28.4	15.6%	17.6	12.8%
TOTAL	163.2	100.0%	179.3	100.0%	182.4	100.0%	137.9	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

(A) STARTING IN 1992, TECHNICAL SUPPORT SERVICES ARE REPORTED SEPARATELY FROM INTERCOUNTRY ACTIVITIES.

(B) INTERCOUNTRY ACTIVITIES ARE COMPOSED OF REGIONAL AND INTERREGIONAL ACTIVITIES. PERCENTAGES GIVEN FOR REGIONAL AND INTERREGIONAL ACTIVITIES ARE BASED ON THE TOTAL EXPENDITURES FOR COUNTRY AND INTERCOUNTRY ACTIVITIES FOR A GIVEN YEAR.

6. Approximately \$12.7 million, or 50.6 per cent of total expenditures of regular resources for intercountry activities in 1992, are attributable to specific developing countries in accordance with the methodology approved by the Governing Council in decision 87/30 I, paragraph 17.

Table E. Expenditures by substantive area for country and intercountry activities, 1989-1992

(MILLIONS OF US DOLLARS)

SUBSTANTIVE AREA	1989		1990		1991		1992 (PROVISIONAL)	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
REGULAR RESOURCES								
FAMILY PLANNING	70.5	44.7%	77.5	45.9%	75.0	43.6%	63.3	49.4%
INFORMATION, EDUCATION & COMMUNICATION	26.6	16.9%	28.6	16.9%	29.3	17.0%	21.3	16.6%
BASIC DATA COLLECTION	18.2	11.6%	17.1	10.1%	15.7	9.1%	7.8	6.1%
POPULATION DYNAMICS	20.4	12.9%	19.0	11.2%	20.1	11.7%	11.4	8.9%
FORMULATION & EVALUATION OF POPULATION POLICIES	12.2	7.7%	14.8	8.8%	15.8	9.2%	11.5	9.0%
IMPLEMENTATION OF POLICIES	0.1	0.0%	0.1	0.0%	0.1	0.1%	0.0	0.0%
MULTISECTOR ACTIVITIES	4.0	2.5%	4.2	2.5%	5.4	3.1%	6.1	4.8%
SPECIAL PROGRAMMES	5.7	3.6%	7.6	4.5%	10.5	6.1%	6.8	5.3%
TOTAL	157.5	100.0%	168.9	100.0%	172.0	100.0%	128.2	100.0%
REGULAR AND MULTI-BILATERAL RESOURCES COMBINED								
FAMILY PLANNING	72.4	44.4%	81.1	45.2%	79.1	43.4%	68.2	49.5%
INFORMATION, EDUCATION & COMMUNICATION	28.4	17.4%	30.1	16.8%	30.6	16.8%	22.1	16.0%
BASIC DATA COLLECTION	18.4	11.3%	21.7	12.1%	19.9	10.9%	10.2	7.4%
POPULATION DYNAMICS	21.4	13.1%	18.9	10.5%	20.4	11.2%	11.8	8.6%
FORMULATION & EVALUATION OF POPULATION POLICIES	12.9	7.9%	15.4	8.6%	16.3	8.9%	12.1	8.8%
IMPLEMENTATION OF POLICIES	0.1	0.1%	0.1	0.1%	0.1	0.1%	0.0	0.0%
MULTISECTOR ACTIVITIES	3.7	2.3%	4.2	2.3%	5.4	3.0%	6.6	4.8%
SPECIAL PROGRAMMES	5.9	3.6%	7.9	4.4%	10.6	5.8%	6.9	5.0%
TOTAL	163.2	100.0%	179.3	100.0%	182.4	100.0%	137.9	100.0%
NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.								

7. Table E presents expenditures for country and intercountry activities for the 1989-1992 period by substantive area. The share of expenditures for family planning from regular resources increased 5.8 percentage points from 43.6 per cent in 1991 to 49.4 per cent in 1992, reaching its highest percentage level in the 1989-1992 period. The major share of regular resources (66 per cent) once again went to family planning and closely associated information, education and communication (IEC) activities.

8. Table F shows expenditures for country activities for the 1989-1992 period by priority country status. The table shows an increase in the proportion of expenditures in priority countries. The priority country ratio reached 75.6 per cent of regular resources for 1992, reversing the downward trend of recent years. In the four-year period 1989-1992, the total expenditure from regular resources of \$333.6 million for priority countries constitutes 75 per cent of the total expenditures for country activities. Thus, UNFPA has not yet reached the goal set by the Council in decision 88/34 A, of 80 per cent of resources for country activities to priority countries, but considerable efforts are being made to meet this goal no later than 1994, as reiterated by the Council in decision 91/35 B (see also document DP/1993/33 on the Fund's experience in implementing the priority country system).

Table F. Expenditures for country activities by priority country status, 1989-1992								
(MILLIONS OF US DOLLARS)								
	1989		1990		1991		1992 (PROVISIONAL)	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
REGULAR RESOURCES								
PRIORITY ^(A)	83.7	76.5%	87.4	75.0%	84.5	73.1%	78.0	75.6%
NON-PRIORITY	25.7	23.5%	29.1	25.0%	31.1	26.9%	25.2	24.4%
TOTAL	109.4	100.0%	116.5	100.0%	115.7	100.0%	103.1	100.0%
REGULAR AND MULTI-BILATERAL RESOURCES COMBINED								
PRIORITY ^(A)	87.1	76.9%	94.6	75.4%	90.8	73.2%	83.4	75.9%
NON-PRIORITY	26.3	23.2%	30.8	24.6%	33.2	26.8%	26.4	24.0%
TOTAL	113.3	100.0%	125.4	100.0%	124.0	100.0%	109.9	100.0%
NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.								
(A) BASED ON DECISION 88/34 A, PARAGRAPH 6.								

9. The total amount from regular resources for country activities executed by Governments and national non-governmental organizations was estimated at \$28.2 million in 1992, or 27.4 per cent of total country activity expenditures, an increase in proportionate terms compared to 26.3 per cent in 1991.

10. The Council has requested UNFPA to include in the work plan data on activities financed from multi-bilateral resources. Such data are provided in tables D through F. As these tables demonstrate, the proportions of expenditures from regular resources – as broken down by country and intercountry activities, by substantive area for country and intercountry activities, and by priority country status for country activities – are essentially the same as those from regular and multi-bilateral resources combined. Thus, financial assistance provided through multi-bilateral arrangements does not alter the overall proportions of expenditures of UNFPA's programme.

III. NEW SUBMISSIONS OF COUNTRY PROGRAMMES TO THE COUNCIL AT ITS FORTIETH SESSION¹

11. The Executive Director is submitting to the fortieth session of the Governing Council for its approval 15 comprehensive country programmes, each for a period of four or five years. The 15 programmes (11 in sub-Saharan Africa, two in Asia and the Pacific, and two in Latin America and the Caribbean) total \$118.5 million, of which \$77.7 million would come from UNFPA's regular resources.

12. The distribution of regular resources for these programmes by substantive programme area, as shown in table G, is in line with the guidelines set by the Governing Council in decision 81/7. For example, family planning activities will receive the largest share of resources, accounting for 53.7 per cent of regular programme resources, while information, education and communication projects will receive 20.8 per cent. Combined, these two programme areas will receive 74.5 per cent or three quarters of regular resources of the 15 country programmes. Regular resources for basic data collection and those for population research and policy development activities amount to 5.1 per cent and 8.4 per cent, respectively. Furthermore, in line with UNFPA guidelines as set forth in "An implementation strategy to strengthen the capacity of the Fund to deal with issues concerning women, population and development" (document DP/1987/38), all new country projects take into consideration women as both participants and beneficiaries of population and development activities. In addition, 8.0 per cent of total regular country programme resources will be allocated to special programmes that include projects specifically and directly related to improving the status of women.

¹All figures are subject to modification in the individual country programmes after submission of this document.

Table G. New submissions of country programmes by substantive area
(MILLIONS OF US DOLLARS)

	REGULAR RESOURCES (PROVISIONAL)		REGULAR AND MULTI- BILATERAL RESOURCES (PROVISIONAL)	
	(\$)	(%)	(\$)	(%)
FAMILY PLANNING	41.7	53.7%	59.8	50.5%
INFORMATION, EDUCATION AND COMMUNICATION	16.2	20.8%	24.8	20.9%
BASIC DATA COLLECTION	4.0	5.1%	10.7	9.0%
POPULATION RESEARCH AND POLICY DEVELOPMENT ^(A)	6.5	8.4%	10.4	8.8%
SPECIAL PROGRAMMES ^(B)	6.2	8.0%	9.7	8.2%
PROGRAMME RESERVE AND MULTI-SECTOR ACTIVITIES	3.1	4.0%	3.1	2.6%
TOTAL	77.7	100.0%	118.5	100.0%
NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.				
(A) CONSISTS OF POPULATION DYNAMICS, FORMULATION AND EVALUATION OF POPULATION POLICIES, AND IMPLEMENTATION OF POLICIES.				
(B) INCLUDES WOMEN, POPULATION AND DEVELOPMENT.				

IV. WORK PLAN FOR 1994-1997 AND REQUEST FOR PROGRAMME EXPENDITURE AUTHORITY

A. The work plan, 1994-1997

13. The work plan of UNFPA is a projected programme of assistance based upon income projections, prior commitments and foreseeable needs over the next four years. Its present format is based on Governing Council decisions 83/17 III, adopted at its thirtieth session, and 89/46 B, adopted at its thirty-sixth session.

14. The work plan refers to those activities that are funded from UNFPA's regular resources and, this year, also to those funded from multi-bilateral resources. The intended distribution of resources among country and intercountry activities and among regions is based on regular resources only. The rationale for this lies not only in the fact that multi-bilateral funding decisions are made by the individual donor countries or organizations, rather than by UNFPA, but also in the observations made in paragraph 10 above, that multi-bilateral funding does not alter the overall proportions of expenditures of UNFPA's programme.

15. The work plan contains information on the following subjects:

- (a) Estimates of new programmable resources for 1994-1997 by year (paras. 17-18);
- (b) General considerations in resource distribution (paras. 19-20);
- (c) Distribution of the total programmable resources, 1994-1997, among country and intercountry activities (paras. 21-23);
- (d) Average annual distribution of country activities by region for the years 1994-1997 (paras. 24-25);
- (e) Amounts for country activities already programmed for 1994-1997 (para. 28);
- (f) Average annual distribution of intercountry activities by region for the years 1994-1997 (para. 29).

16. The work plan of UNFPA is a rolling four-year plan. This means that for each new work plan the current year is deleted and one future year is added. Since most programmes and projects last for several years, and since allocations for these programmes and projects are periodically adjusted in accordance with rates of implementation and other factors, the calculation of proportional shares to each major sector, geographical region, country, etc., solely on the basis of the allocations or expenditures at year end of any given year does not necessarily present the overall picture of the emphasis given to the different components of UNFPA's programme. More important are the new programme proposals being made by UNFPA, even though these new programmes are implemented over a period of several years. The new country programmes being submitted to the Council each year (see section III above) are examples of such new proposals and thus form part of the work plan.

17. The work plan is based on the income assumptions for the period 1994-1997 which, after deducting the administrative and programme support services (APSS) net budget and additions to the operational reserve, determine the estimates of new programmable resources. For the work plan for 1994-1997, the Executive Director estimates the income of 1993 at \$238 million as the base, which includes an expected contribution of \$20 million from the United States Government. The Executive Director estimates the income of 1994 at \$281 million, consisting of an expected United States contribution of \$50 million and other contributions of \$231 million. The income projections for 1995-1997 assume an annual United States contribution of \$50 million and a 6 per cent increase per year for other contributions, using the 1994 estimate of \$231 million as the base. This results in an average annual increase of 5.1 per cent for the new work plan period. The increases in income projected in the work plan for 1994-1997 are thus slightly lower than the recent trend in the growth of the resource base of UNFPA, which increased on average by 7.6 per cent each year between 1989 and 1992 (4 per cent from 1988 to 1989, 14.7 per cent from 1989 to 1990, 6.4 per cent from 1990 to 1991 and 6.3 per cent from 1991 to 1992). This more cautious approach takes into consideration the discussions on forward planning in the Council at its last session, as well as preliminary indications from major donor countries about their pledges for 1994. In view of the growing consensus among all countries of the need to mobilize and increase resources for population activities in developing countries, as expressed in the Amsterdam Declaration and emphasized by General Assembly resolution 45/216 and by Council decision 90/35 A, UNFPA anticipates that in future years, as in the past, most of its traditional donors will continue to increase their contributions to UNFPA, even though some donors have indicated reductions in their contributions. While reaching the goals of the Amsterdam Declaration requires increases of UNFPA's income of 19.6 per cent per annum, resulting in an income of \$1,000 million in the year 2000, increases of such a magnitude are currently not forthcoming. In addition, it is important to note that the increase of 14.7 per cent in the year 1989 to 1990 was due in part to gains realized from favourable exchange rates of the U.S. dollar vis-à-vis the currencies in which the majority of pledges were made.

Given these uncertainties of the current funding situation, the Executive Director feels the need to adopt a somewhat more conservative approach to resource planning, which is reflected in this document. Thus, despite the expected United States contribution, the increases for each of the four years of the work plan have now been set at 5.1 per cent instead of 8 per cent as in last year's work plan. The income assumption from multi-bilateral resources is \$15 million per year. This results in an income assumption for the four-year period 1994-1997 of \$1,212 million from regular resources and \$1,272 million from regular and multi-bilateral resources combined, as compared with \$1,117 million from regular resources for the period 1993-1996 in last year's work plan. The new programmable resources, as presented in table H, are calculated on the basis of these income assumptions. It should be noted that the APSS net budget is projected to increase by only 4 per cent per year for the period 1994-1997.

Table H. New programmable resources for 1994 - 1997					
(MILLIONS OF US DOLLARS)					
	1994	1995	1996	1997	1994-1997
REGULAR RESOURCES					
(1) INCOME	281.0	295.0	310.0	326.0	1,212.0
(2) APSS NET BUDGET	55.7	57.9	60.2	62.6	236.4
(3) ADDITION TO THE OPERATIONAL RESERVE	8.0	3.0	3.0	3.0	17.0
(4) SUBTOTAL (2) + (3)	63.7	60.9	63.2	65.6	253.4
(5) AVAILABLE AS NEW PROGRAMMABLE RESOURCES (1)-(4)	217.3	234.1	246.8	260.4	958.6
MULTI-BILATERAL RESOURCES					
(6) INCOME ^(A)	15.0	15.0	15.0	15.0	60.0
COMBINED RESOURCES					
(7) INCOME (1) + (6)	296.0	310.0	325.0	341.0	1,272.0
(8) AVAILABLE AS NEW PROGRAMMABLE RESOURCES (5) + (6)	232.3	249.1	261.8	275.4	1,018.6
NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.					
(A) AVAILABLE AS NEW PROGRAMMABLE RESOURCES.					

18. The Council, at its thirty-eighth session, in decision 91/36, paragraph 19, decided that the level of the operational reserve should be set at 20 per cent of general resources income for each year of the UNFPA work plan, and that the level of the operational reserve should be reviewed at the fortieth session of the Council. The Executive Director proposes that the level of the operational reserve continue to be maintained at 20 per cent of

the income from general resources. The level of the operational reserve at the end of 1991 should have been \$45 million, based upon an income in 1991 of \$224 million. However, in view of the drawdown on the reserve of \$5.5 million to cover the overexpenditure in 1991, the level of the reserve at the end of the year was \$39.5 million. This drawdown was repaid in 1992. No drawdown on the reserve occurred in 1992, and in view of the 1992 income of \$238.2 million, UNFPA added \$3 million to the reserve, bringing it at the end of 1992 to \$48 million. Given an estimated income in 1993 of \$238 million, i.e. no increase from 1992, no addition to the reserve will be required in 1993. In order to maintain the reserve at the 20 per cent level, and assuming that the income from regular resources between 1994 and 1997 will increase as estimated, UNFPA will add a total of \$17 million to the operational reserve over the work plan period 1994-1997 as shown in table H. At the end of 1997, the level will have reached \$65 million.

19. Table H shows the estimated new programmable resources for the period 1994-1997 to be \$958.6 million from regular resources and \$1,018.6 million from regular and multi-bilateral resources combined. These resources will be used in accordance with the following instructions by the Council:

- (a) Support to programmes and projects in priority countries at a level of four-fifths of allocations to country activities;¹
- (b) Continued emphasis on projects in the complementary areas of family planning and information, education and communication;
- (c) Support to country programmes and projects approved by the Council as scheduled in the individual country submissions;
- (d) Levels of allocations to individual countries on the basis of the eight specific criteria mentioned in Council decision 81/7 I, paragraph 8.

Also reflected in the work plan is UNFPA's continuing effort to increase considerably the support it provides through country and intercountry activities to programmes and projects that seek to improve the role and status of women.

20. By their very nature, all figures in the work plan are tentative, notably for the following reasons:

(a) The Council has given UNFPA broad guidelines and priorities to be mindful of in allocating resources by geographical criteria as well as for each of the different work plan categories, such as family planning; information, education and communication; etc. An additional guideline concerning UNFPA successor support cost arrangements, set by the Council in 1991 in decision 91/37 paragraph 10, states that the total allocation for technical support services and for administrative and operational services for the years 1992-1995 should not exceed 13.8 per cent of programmable resources;

(b) While UNFPA intends to allocate the major portion of its resources for country activities through country programmes approved by the Council, the formulation as well as implementation of projects in these

¹ It should be recalled that the Council reiterated the need for future allocations of resources to meet the target of an 80 per cent allocation of country programme resources to priority countries by 1994, in decision 91/35 B, paragraph 2 (see also document DP/1993/33 on the Fund's experience in implementing the priority country system).

programmes is sometimes delayed considerably. In such cases, a portion of the resources reserved for a specific country programme for a particular period may be made available for activities in other countries.

Table I. Intended distribution of programmable resources among country and intercountry activities, work plan 1993-1996 and work plan 1994-1997

(MILLIONS OF US DOLLARS)

	WORK PLAN 1993-1996 ^(A)			WORK PLAN 1994-1997		
	TOTAL	ANNUAL	AVERAGE	TOTAL	ANNUAL	AVERAGE
	(\$)	(\$)	(%)	(\$)	(\$)	(%)
REGULAR RESOURCES						
(1) COUNTRY ACTIVITIES	588.1	147.0	68.0%	651.8	163.0	68.0%
(2) TECHNICAL SUPPORT SERVICES	89.0	22.3	10.3%	98.0	24.5	10.2%
(3) ADMINISTRATIVE AND OPERATIONAL SERVICES	30.0	7.5	3.5%	34.4	8.6	3.6%
(4) REGIONAL ACTIVITIES	59.6	14.9	6.9%	66.1	16.5	6.9%
(5) INTERREGIONAL ACTIVITIES	98.2	24.6	11.3%	108.3	27.1	11.3%
(6) INTERCOUNTRY ACTIVITIES (4) + (5)	157.8	39.5	18.2%	174.4	43.6	18.2%
(7) TOTAL (1) + (2) + (3) + (6)	864.9	216.2	100.0%	958.6 ^(B)	239.7	100.0%
MULTI-BILATERAL RESOURCES						
(8) ACTIVITIES				56.0	14.0	93.3%
(9) ADMINISTRATIVE AND OPERATIONAL SERVICES				4.0	1.0	6.7%
(10) TOTAL (8) + (9)				60.0 ^(C)	15.0	100.0%
COMBINED RESOURCES						
(11) ACTIVITIES (1) + (6) + (8)				882.2	220.6	
(12) TOTAL (7) + (10)				1018.6	254.7	

NOTE: FIGURES MAY NOT ADD UP TO TOTALS GIVEN DUE TO ROUNDING.

(A) SEE DOCUMENT DP/1992/26, TABLE H.

(B) NO CARRY-FORWARDS ARE PROJECTED FROM REGULAR RESOURCES FROM 1993 TO THE NEW WORK PLAN PERIOD.

(C) CARRY-FORWARDS ARE NOT INCLUDED. SEE PARAGRAPH 21.

21. Table I shows the planned distribution of total programmable resources during the work plan period 1994-1997. Even though current expenditure data suggest carry-forwards of regular resources from 1992 to 1993, the work plan does not project any significant carry-forwards of regular resources from 1993 to the new work plan period. This is so, since the carry-forwards of 1992 will be needed for programme activities in 1993, notably since UNFPA's income in 1993 is not expected to rise beyond that of 1992. Thus total programmable resources available are estimated at \$958.6 million from regular resources (an annual average of \$239.7 million). For multi-bilateral resources, carry-forwards of \$5 million are projected from 1993 to the new work plan period, and it is assumed that the carry-forwards of multi-bilateral resources from the new work plan period to 1998 will also amount to \$5 million. This is due to the fact that programme activities financed by multi-bilateral resources follow UNFPA's financial regulations and rules for trust funds (Article V), which require that trust funds must be fully funded. Thus carry-forwards of multi-bilateral resources are disregarded here, and total programmable resources are estimated at \$60 million from multi-bilateral resources (an annual average of \$15 million) and \$1,018.6 million from regular and multi-bilateral resources combined (an annual average of \$254.7 million).

22. The planned distribution of total programmable resources from regular resources for 1994-1997 among country and intercountry activities (regional and interregional activities) takes into consideration the needs in each of these areas. According to this plan, the proportion of total programmable resources intended for country activities remains essentially the same as in the work plan for 1993-1996. In absolute terms, the \$651.8 million intended for country activities in the four-year period 1994-1997 (an average of \$163 million per year) is 10.8 per cent higher than the \$588.1 million (an average of \$147 million per year) foreseen previously for the 1993-1996 period. In addition, the entire \$98 million proposed for technical support services (TSS) are earmarked to provide technical support for country programmes from teams located at regional and subregional sites as well as technical backstopping to these teams from headquarters (see document DP/1993/32 for a progress report on the implementation of the successor support cost arrangements, including the UNFPA country support teams). The administrative and operational services (AOS) costs from regular resources for 1994-1997 are estimated at \$34.4 million, which is based on a compensation arrangement with executing agencies of 7.5 per cent of project expenditures incurred for the implementation of country projects. The proportion of TSS and AOS combined constitutes 13.8 per cent of programmable resources in the new work plan in line with Council decision 91/37, paragraph 10.

23. The UNFPA intercountry programme for the period of 1992-1995, covering regional and interregional activities, was approved by the Council in 1991 in the amount of \$178 million.¹ Approximately the same proportion (18.2 per cent) is foreseen for the distribution of the \$174.4 million of programmable resources from regular resources to these activities during the 1994-1997 work plan period. The proportion of resources for regional activities remains the same in both work plan periods (6.9 per cent), although in absolute terms the amount for 1994-1997 is \$66.1 million compared to \$59.6 million in the previous work plan. The regular resources for interregional activities will amount to \$108.3 million, which is the same proportion (11.3 per cent of programmable resources) as the \$98.2 million earmarked for this in the work plan for 1993-1996.

¹ Decision 91/35 C.

24. Table J presents a resource utilization pattern for country activities by region for regular resources from 1989 to 1997. It contains:

- (a) Expenditures for country activities by region from 1989 to 1992;
- (b) The annual average intended distribution for the 1993-1996 period as reported in the work plan of 1992 (see document DP/1992/26);
- (c) The annual average intended distribution for the 1994-1997 period now being proposed.

25. In the work plan for 1994-1997, the proposed proportional distribution of the \$651.8 million from regular resources in programmable resources intended for country activities among the four regions will be: sub-Saharan Africa, 32 per cent; Arab States and Europe, 12.2 per cent; Asia and the Pacific, 43.5 per cent; and Latin America and the Caribbean, 12.3 per cent. In absolute terms, each of the four regions will receive more resources, on average, per year in the new work plan period than in any year in the past, while the proportions stay the same as in the previous work plan.

26. As shown in table J, UNFPA's expenditures to country activities from regular resources in sub-Saharan Africa varied in the period 1989-1992 between \$29.3 million and \$43.3 million, with an annual average for the period of \$36.3 million. These expenditures are expected to grow to an annual average of \$52.2 million in the work plan period 1994-1997. The annual expenditures for country activities in the Arab States and Europe varied in the period 1989-1992 between \$9.8 million and \$14.1 million, averaging \$12.1 million. These expenditures are expected to grow to an annual average of \$19.9 million in the period 1994-1997. The annual expenditures for country activities in Asia and the Pacific in the period 1989-1992 varied between \$46.8 million and \$51.5 million, averaging \$49.1 million. These expenditures are expected to grow to an annual average of \$70.9 million in the period 1994-1997. The corresponding expenditures for Latin America and the Caribbean varied between \$12.3 million and \$15.1 million, averaging \$13.8 million in the period 1989-1992. The projected annual resources for this region in the period 1994-1997 are, on average, \$20 million.

Table J. Intended country activities by region for the periods 1993-1996 and 1994-1997 compared with expenditures, 1989-1992
Regular Resources

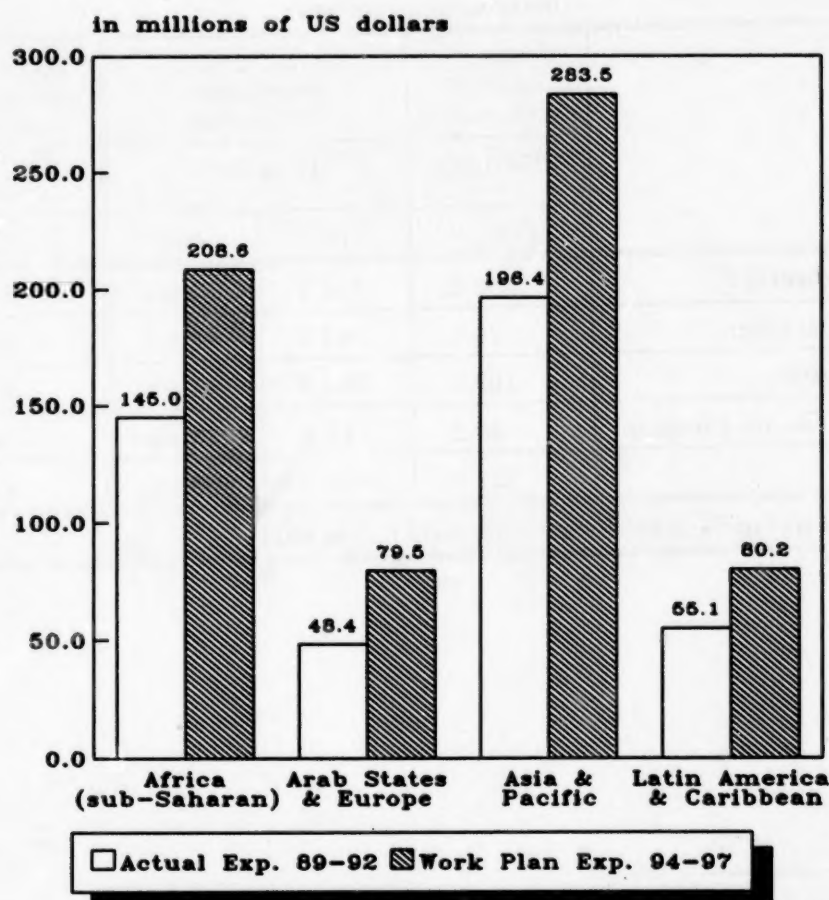
(MILLIONS OF US DOLLARS)

	ACTUAL 1989 EXPENDITURE		ACTUAL 1990 EXPENDITURE		ACTUAL 1991 EXPENDITURE		PROVISIONAL 1992 EXPENDITURE		INTENDED 1993-1996		INTENDED 1994-1997	
									ANNUAL AVERAGE	% OF COUNTRY ACTIVITY RESOURCE	ANNUAL AVERAGE	% OF COUNTRY ACTIVITY RESOURCE
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
AFRICA (SUB-SAHARAN)	29.3	26.8%	39.4	33.8%	43.3	37.4%	33.0	32.0%	47.0	32.0%	52.2	32.0%
ARAB STATES AND EUROPE	13.6	12.4%	14.1	12.1%	10.9	9.4%	9.8	9.5%	17.9	12.2%	19.9	12.2%
ASIA AND THE PACIFIC	51.5	47.0%	48.9	42.0%	49.2	42.5%	46.8	45.4%	64.0	43.5%	70.9	43.5%
LATIN AMERICA/CARIBBEAN	15.1	13.8%	14.1	12.1%	12.3	10.6%	13.6	13.2%	18.1	12.3%	20.0	12.3%
TOTAL	109.4	100.0%	116.5	100.0%	115.7	100.0%	103.1	100.0%	147.0	100.0%	163.0	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

27. The emphasis given to individual regions in the proposed work plan becomes further evident through an examination of the intended increases in dollars and in per cent. For example, country activities in sub-Saharan Africa will rise from \$145 million (1989-1992) to \$208.6 million (1994-1997), i.e., by \$63.6 million or 43.9 per cent. Country activities in Asia and the Pacific will rise from \$196.4 million (1989-1992) to \$283.5 million (1994-1997), i.e., by \$87.1 million or 44.3 per cent. The other two regions, Arab States and Europe, and Latin America and the Caribbean, will have increases of \$31.1 million and \$25.1 million, or 64.3 and 45.6 per cent, respectively. Figure 1 provides a graphic presentation of this programming trend by comparing country activities by region for 1989-1992 and 1994-1997.

**Figure 1. Country Activities by Region
Actual 1989-92 & Work Plan 1994-97
Regular Resources**



28. Based on an analysis of the status of financial implementation of UNFPA programmes and projects, the balance of commitments (regular resources) to country programmes approved by the Governing Council up to and including 1992 is estimated to be \$447.4 million for the period 1993-1997. When the country programmes (regular resources) submitted to this session of the Council are added (\$77.7 million), the total UNFPA commitment from regular resources amounts to \$525.1 million for the same period.¹ The balance of commitments for the 1994-1997 work plan period is estimated to be \$406.5 million after deducting an estimated \$118.6 million, the amount of assistance to country activities that is expected to be implemented in 1993. Of the \$651.8 million intended for country activities between 1994 and 1997, therefore, \$406.5 million, or 62.4 per cent, have already been programmed through country programmes and projects that have either been approved by the Council at earlier sessions or are being submitted to the Council at the fortieth session (see table K).

Table K. Intended country activities for 1994-1997 and amounts already programmed with percentage shares
Regular Resources

(MILLIONS OF US DOLLARS)

	TOTAL COUNTRY ACTIVITIES	AMOUNT ALREADY PROGRAMMED (ESTIMATE)		AMOUNT ALREADY PROGRAMMED AS PERCENTAGE OF REGION TOTAL
	1994-1997	1994-1997		
	(\$)	(\$)	(%)	(%)
AFRICA (SUB-SAHARAN)	208.6	134.1	33.0%	64.3%
ARAB STATES AND EUROPE	79.5	43.7	10.8%	55.0%
ASIA AND THE PACIFIC	283.5	169.3	41.6%	59.7%
LATIN AMERICA AND THE CARIBBEAN	80.2	59.4	14.6%	74.1%
TOTAL	651.8	406.5	100.0%	62.4%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

¹See document DP/1993/31, table C.

Table L. Intended intercountry activities by region for the periods 1993-1996 and 1994-1997 compared with expenditures for 1992
Regular Resources

(MILLIONS OF US DOLLARS)

	PROVISIONAL 1992 EXPENDITURE		INTENDED 1993-1996		INTENDED 1994-1997	
			ANNUAL AVERAGE	% OF INTERCOUNTRY ACTIVITY RESOURCE	ANNUAL AVERAGE	% OF INTERCOUNTRY ACTIVITY RESOURCE
	(\$)	(%)	(\$)	(%)	(\$)	(%)
(1) AFRICA (SUB-SAHARAN)	4.1	16.3%	5.8	14.8%	6.5	14.9%
(2) ARAB STATES AND EUROPE	1.0	4.0%	2.4	6.1%	2.6	6.0%
(3) ASIA AND THE PACIFIC	2.7	10.8%	3.6	9.1%	4.0	9.2%
(4) LATIN AMERICA/CARIBBEAN	1.8	7.2%	3.1	7.9%	3.4	7.8%
(5) REGIONAL SUB-TOTAL (1) + (2) + (3) + (4)	9.7	38.6%	14.9	37.8%	16.5	37.8%
(6) INTERREGIONAL ACTIVITIES	15.4	61.4%	24.6	62.2%	27.1	62.2%
(7) INTERCOUNTRY TOTAL (5) + (6)	25.1	100.0%	39.5	100.0%	43.6	100.0%

NOTE: FIGURES MAY NOT ADD UP TO THE TOTALS GIVEN DUE TO ROUNDING.

29. With regard to intercountry activities, the Executive Director proposes to distribute \$66.1 million from regular resources (an annual average of \$16.5 million) for regional activities during the work plan period (tables I and L) and to use \$108.3 million for interregional activities (an annual average of \$27.1 million). In terms of proportion of total programmable resources, intercountry resources for the period of 1994-1997, as shown in table I, will be used as follows: 6.9 per cent for regional activities and 11.3 per cent for interregional activities. Overall, this amounts to 18.2 per cent of all UNFPA programmable resources. This proportion is the same as in the work plan for 1993-1996, and it constitutes a considerable reduction in the proportion of programmable resources intended for intercountry activities, which in years prior to 1992 amounted to between 25 per cent and 30 per cent of all project expenditures. The reduction in intercountry activities is almost exclusively limited to reductions in regional activities. This, in turn, is due to the fact that in years prior to 1992 those activities that now fall under the technical support services (TSS) component of the Fund's successor support cost arrangements were largely financed from regional resources (and to some extent from the 13 per cent overhead charged by agency support costs). With the Council's approval of the TSS concept in June 1991 (decision 91/37) and based upon the fact that TSS is now separately identified and funded (\$98 million in 1994-1997), regional activities are

being reduced accordingly. As table I shows, however, TSS (accounting for 10.2 per cent of regular programmable resources) and intercountry activities (accounting for 18.2 per cent of regular programmable resources) will amount, when combined, to 28.4 per cent of programmable resources.

B. Request for programme expenditure authority

30. At its thirty-sixth session the Governing Council endorsed the proposal by the Executive Director that a programme expenditure authority for regular resources be set at the level of programme expenditure she is authorized to make in the first year of the four-year work plan period, which will be reviewed, revised and updated yearly, on a rolling basis. The programme expenditure level is equivalent to the total programmable resources, which are the sum of the new programmable resources and carry-forwards (a surplus or a deficit) from the previous year. The requested programme expenditure authority refers only to new programmable resources since the expenditure authority for the carry-forwards has already been given in previous years. As shown in table H, the total programmable resources from regular resources for 1994 are projected to be \$217.3 million (no carry-forwards are projected from 1993 to 1994).

31. The Executive Director further proposed and the Governing Council endorsed (see para. 1 of decision 89/46 B) at its thirty-sixth session that forward approval be set at the levels of the estimates for new programmable resources for the subsequent three years of the work plan period. Hence, table M presents not only the programme expenditure level for 1994 (equivalent to the new programmable resources of 1994), but also the new programmable resources of 1995-1997. The estimate for 1995, which will be adjusted if necessary, will become the basis for the programme expenditure authority for that year when the new work plan covering the period 1995-1998 is submitted to the Council in 1994.

Table M. Proposed programme expenditure level for 1994 and estimates for new programmable resources for 1995-1997

Regular Resources

(MILLIONS OF US DOLLARS)

	1994	1995	1996	1997	TOTAL 1994-1997
NEW PROGRAMMABLE RESOURCES ^(A)	217.3	234.1	246.8	260.4	958.6

(A) SEE TABLE H OF THIS REPORT.

V. RECOMMENDATIONS

32. The Executive Director recommends that the Governing Council:
- (a) Endorse the Executive Director's programme resource planning proposals set out in paragraphs 13 to 31;
 - (b) Approve the request for the new programme expenditure authority from regular resources in the amount of \$217.3 million for 1994;
 - (c) Endorse the use of the following estimates for new programmable resources from regular resources for the 1995-1997 period: \$234.1 million for 1995; \$246.8 million for 1996; and \$260.4 million for 1997;
 - (d) Also endorse the use of the following estimates for new programmable resources from multi-bilateral funding: \$15 million per year for the years 1994-1997.
